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SENATE BILL 188

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Richard M. Romero

AN ACT

RELATING TO PROPERTY TAXES; IMPLEMENTING THE INCREASED TAX EXEMPTION FOR VETERANS REQUIRED BY ARTICLE 8, SECTION 5 OF THE CONSTITUTION OF NEW MEXICO; IMPLEMENTING THE EXPANSION OF THE DISABLED VETERAN EXEMPTION REQUIRED BY ARTICLE 8, SECTION 15 OF THE CONSTITUTION OF NEW MEXICO; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-37-5 NMSA 1978 (being Laws 1973, Chapter 258, Section 38, as amended) is amended to read:

"7-37-5. VETERAN EXEMPTION. --

A. [~~Two thousand dollars (\$2,000)] Up to four thousand dollars (\$4,000) of the taxable value of property, including the community or joint property of husband and wife, subject to the tax is exempt from the imposition of the tax if the property is owned by a veteran or the veteran's unmarried~~

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1 surviving spouse if the veteran or surviving spouse is a New
2 Mexico resident or if the property is held in a grantor trust
3 established under Sections 671 through 677 of the Internal
4 Revenue Code of 1986, as those sections may be amended or
5 renumbered, by a veteran or the veteran's unmarried surviving
6 spouse if the veteran or surviving spouse is a New Mexico
7 resident. The exemption shall be deducted from taxable value
8 of to determine net taxable value of property. The exemption
9 allowed shall be in the following amounts for the specified tax
10 years:

11 (1) for tax years prior to 2003, the exemption
12 shall be two thousand dollars (\$2,000);

13 (2) for tax year 2003, the exemption shall be
14 two thousand five hundred dollars (\$2,500);

15 (3) for tax year 2004, the exemption shall be
16 three thousand dollars (\$3,000);

17 (4) for tax year 2005, the exemption shall be
18 three thousand five hundred dollars (\$3,500); and

19 (5) for tax year 2006 and each subsequent tax
20 year, the exemption shall be four thousand dollars (\$4,000).

21 B. The veteran exemption shall be applied only if
22 claimed and allowed in accordance with Section 7-38-17 NMSA
23 1978 and regulations of the department.

24 C. As used in this section, "veteran" means an
25 individual who:

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1 (1) has been honorably discharged from
2 membership in the armed forces of the United States;

3 (2) served in the armed forces of the United
4 States on active duty continuously for ninety days, any part of
5 which occurred during a period specified in Paragraph (3) of
6 this subsection; and

7 (3) served in the armed forces of the United
8 States during one or more of the following periods of armed
9 conflict under orders of the president:

10 (a) any armed conflict prior to World
11 War I;

12 (b) World War I, which, for the purposes
13 of this section, is defined as the period April 6, 1917 through
14 April 1, 1920;

15 (c) World War II, which, for the
16 purposes of this section, is defined as the period December 7,
17 1941 through December 31, 1946;

18 (d) the Korean conflict, which, for the
19 purposes of this section, is defined as the period June 27,
20 1950 through January 31, 1955;

21 (e) the Vietnam conflict, which, for the
22 purposes of this section, is defined as the period August 5,
23 1964 through May 7, 1975;

24 (f) the Grenada conflict, which, for the
25 purposes of this section, is defined as the period October 13

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1 through December 31, 1983; or

2 (g) the Persian gulf conflict, which,
3 for the purposes of this section, is defined as the period
4 August 2, 1990 through the date upon which the president of the
5 United States or a competent military authority declares the
6 conflict to be ended, but in no case earlier than July 1, 1992.

7 D. For the purposes of Subsection C of this
8 section, a person who would otherwise be entitled to status as
9 a veteran except for failure to have served in the armed forces
10 continuously for ninety days is considered to have met that
11 qualification if he served during the applicable period for
12 less than ninety days and the reason for not having served for
13 ninety days was a discharge brought about by service-connected
14 disablement.

15 E. For the purposes of Paragraph (1) of Subsection
16 C of this section, a person has been "honorably discharged"
17 unless he received either a dishonorable discharge or a
18 discharge for misconduct.

19 F. For the purposes of this section, a person whose
20 civilian service has been recognized as service in the armed
21 forces of the United States under federal law and who has been
22 issued a discharge certificate by a branch of the armed forces
23 of the United States shall be considered to have served in the
24 armed forces of the United States. "

25 Section 2. Section 7-37-5.1 NMSA 1978 (being Laws 2000,

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1 Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1) is
2 amended to read:

3 "7-37-5.1. DISABLED VETERAN EXEMPTION. --

4 A. As used in this section:

5 (1) "disabled veteran" means an individual
6 who:

7 (a) has been honorably discharged from
8 membership in the armed forces of the United States or has
9 received a discharge certificate from a branch of the armed
10 forces of the United States for civilian service recognized
11 pursuant to federal law as service in the armed forces of the
12 United States; and

13 (b) has been determined pursuant to
14 federal law to have a one hundred percent permanent and total
15 service-connected disability; and

16 (2) "honorably discharged" means discharged
17 from the armed forces pursuant to a discharge other than a
18 dishonorable or bad conduct discharge.

19 B. The property of a disabled veteran, including
20 joint or community property of the veteran and the veteran's
21 spouse, is exempt from property taxation if it is occupied by
22 the disabled veteran as his principal place of residence [and
23 ~~has been especially adapted to his disability using a grant for~~
24 ~~specially adapted housing granted to the veteran by the federal~~
25 ~~government based on his permanent and total service-connected~~

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1 ~~disability~~]. Property held in a grantor trust established
2 under Sections 671 through 677 of the Internal Revenue Code of
3 1986, as those sections may be amended or renumbered, by a
4 disabled veteran or the veteran's surviving spouse is also
5 exempt from property taxation if the property otherwise meets
6 the requirements for exemption in this subsection or Subsection
7 C of this section.

8 C. The property of the surviving spouse of a
9 disabled veteran is exempt from property taxation if:

10 (1) the surviving spouse and the disabled
11 veteran were married at the time of the disabled veteran's
12 death;

13 (2) the property was exempt prior to the
14 disabled veteran's death pursuant to Subsection B of this
15 section; and

16 (3) the surviving spouse continues to occupy
17 the property continuously after the disabled veteran's death as
18 the spouse's principal place of residence.

19 D. The exemption provided by this section may be
20 referred to as the "disabled veteran exemption".

21 E. The disabled veteran exemption shall be applied
22 only if claimed and allowed in accordance with Section 7-38-17
23 NMSA 1978 and the rules of the department.

24 F. The New Mexico veterans' service commission
25 shall assist the department and the county assessors in

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1 determining which veterans qualify for the disabled veteran
2 exemption. "

3 Section 3. APPLICABILITY.--The provisions of Section 2 of
4 this act are applicable to property tax year 2003 and
5 subsequent property tax years.

6 Section 4. EMERGENCY.--It is necessary for the public
7 peace, health and safety that this act take effect immediately.

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